Scott. II-27—58,004—27-10-47.

Kenya (1957) Department.

No. SERIES.

G.O. NO. 4138

Dated 17.9.57.

[Despatch Abstract.]

Forests - Softwoods - Kenya ~~and~~ Uganda —
Sale of matchwood trees by W.T.O. Co., Ltd.;
re negotiated sale - Orders issued.

By Special Messenger

Special

MADRAS FOREST DEPARTMENT.
Ref.No. 13495/51. Dated 8-9-'51.

SECRETARIAT TO GOVT. MADRAS
SEP 1951
FOREST DEPARTMENT

From
Sri M. Kesavan Unni Nayar I.F.S.,
Chief Conservator of Forests,
Mount Road, Madras-2.

To
The Secretary to Government,
Development Department,
Fort St. George, Madras.

Sir,

97929
8-9-51

Sub: Softwoods - Sale of matchwood trees - South Kanara Division - To Western India Match Co., Ltd., Madras.

Ref: Petition from Western India Match Co., Ltd., dated 9-7-1951 and 18-7-1951.

At the auction sale of softwoods held by the District Forest Officer, South Kanara on 9-7-1951, the Western India Match Co., Ltd., was the only party who came to bid and no one else was interested. The sale could not therefore be held. I submit herewith a copy of the petitions dated 9-7-1951 and 18-7-1951 from the Western India Match Co., Ltd., offering to buy the softwoods at a rate of Rs0-12-0 per cft. or anyother negotiated rate. A copy of the report No. 1555/51 A1 dated 29-8-1951 from the Conservator, Ootacamund circle is also submitted. In the circumstances stated by the Conservator I recommend that the marked trees of softwoods in Coondapoor, Karkal Mangalore, Uppinangady and Kasargod Ranges in South Kanara division may be sold to the Western India Match Co., Ltd., at a negotiated rate of Rs. 0-14-0 (annas fourteen only) per cft. of converted volume.

2. I cannot support the other requests for exclusion of certain marked trees in inaccessible areas and for the extraction of Vateria indica.

I request very early orders.

6.9.51

for CHIEF CONSERVATOR OF FORESTS.

Nsm.5/9.

...

Enclosure.

Copy of letter dated 9-7-1951, from the Western India Match Co., Ltd., to the Chief Conservator of Forests, Madras-2.

SOUTH KANARA AUCTION OF 9-7-1951.

We beg to point out that we attended the auction sale for matchwood on the 9th; but, as there were no other competitors, the auction was not held.

As you are well aware, we are badly in need of the timber put up for sale. We, therefore, request that the trees earmarked over for the sale may kindly be allotted to us for extraction and removal, for which we are prepared to pay a seigniorage rate of Rs. 0-12-0 per cft. or any other negotiated rate.

In this connection, we beg to point out that trees marked in some of the reserves are in inaccessible areas and hence, we re-

quest that trees from the following reserves may kindly be deleted from the original lists.

1. KASARGOD RANGE:- Adoor, Karadka and Poomale R.Fs.
2. COONDAPUR RANGE:- Hermanpara, Nuginane and Chittoor Reserved Forests.

We also request that we may be allotted more trees from the remaining reserves to make up the original quantity, if possible.

Thanking you.

Copy of letter, dated 18th July 1951, from the Western India Match Co., Ltd., to the Chief Conservator of Forests, Madras-2.

AUCTION SALE OF MATCHWOOD IN SOUTH KANARA ON 9-7-1951

We confirm having informed you yesterday by Mr. A.R.L. Pathy, M.L.C., that the notified auction sale could not be held by the Divisional Forest Officer on 9-7-1951 as there was no bidder at all except ourselves. Therefore the deposit of Rs. 5,000/- was refunded. We are aware that no one is interested in the sale.

We understand that the Divisional Forest Officer has come to the conclusion that there is no prospect of selling the trees in open auction, as it is impossible for others to cope up with the extraction. We are in need of the wood that was put up for sale for which we offer to pay a seigniorage of annas 12 (twelve) per cubic foot.

We beg to point out that the trees marked in the following reserves are inaccessible and therefore we request you to exclude the trees marked therein:

1. KASARGOD RANGE: Adoor, Karadka and Poomale Reserve Forests.
2. COONDAPORE RANGE: Hermanpara, Nuginane and Chittur Reserve Forests.

We may be permitted to extract Vateria Indica trees also in areas tapped for matched so far in addition to the matchwood trees now marked.

We shall be grateful if you will stipulate the felling time to be upto the end of March, 1952 and removal upto the end of May, 1952, as was allowed previously.

Your very early reply is solicited.

True copy.

***

Copy of letter No. 1555/51 A1 dated 29-8-1951 from the Conservator of Forests, Ootacamund circle, to the Chief Conservator of Forests, Mardas-2.

Sub: Softwoods - Auction sale of matchwood trees - 1951-52 - South Kanara Division.
Ref: Chief Conservator's Telegram, dated 11.8.1951 (in Chief Conservator's File No.13945/51-E).

...

As ordered in Chief Conservator's telegram, cited above the sale of matchwood trees of South Kanara Division by tender has been deferred.

2. In continuation of my report No.1555/51-A1, dated 4.8.1951 I submit the following remarks on the letter dated 18.7.1951 of Messrs. Western India Match Co.Ltd., referred to me in Chief Conservator's Ref.No.13945/51-E dated 19.7.1951.

3. The points raised in the letter of the Company are:-

(i) Exclusion of the trees marked in inaccessible areas of:-

(a) Kasaragod Range:- Adoor, Karadka and Poomale R.Fs.,
(b) Coondapur Range:- Hermanpare, Nugenane and Chittoor R.F

(ii) To fix a seigniorage rate of annas twelve per c.ft or any other negotiated rate.

(iii) To permit to extract Veteria Indica trees also in areas tapped for matchwood so far in addition to the matchwood trees marked now.

4. (i) Extraction of trees marked in inaccessible areas:-

The species of softwoods marked and the estimated quantities in each of the Ranges are as shown below:-

Range.	Locality	Species.	No.of trees marked.	Standing volume C.ft.	Expected log vol. @ 60% C.ft.
Coondapoor.	Reserves.	Bombax malabaricum	57	1,671	
		Machilus macranta	361	39,023	
		Mangifera indica	282	20,429	
		Ailanthes malabarica	173	20,301	
		Evodia roxburghiana	30	557	
			903	84,981	51,000
Karkala	Reserves.	Bombax malabaricum	48	3,319	
		Machilus macranta	447	38,147	
		Mangifera indica	227	12,104	
		Ailanthes malabarica	51	5,153	
		Evodia roxburghiana	5	165	
			778	52,838	32,000
Mangalore	Reserves.	Bombax malabaricum	129	7,031	
		Machilus macranta	155	12,572	
		Mangifera indica	166	7,980	
		Ailanthes malabarica	29	1,917	
		Evodia roxburghiana	64	1,252	
			543	30,752	18,000

P.T.O.

Range,	Locality.	Species.	No.of trees marked.	Standing volume. C.ft.	Expected log vol. @ 60% C.ft.
Uppinangady	Reserves.	Bombax malabaricum	58	4,607	
		Machilus macranta	37	3,973	
		Mangifera indica	28	2,331	
		Ailanthes malabarica	1	242	
		Evodia roxburghiana	6	202	
			130	11,355	7,000
Kasaragod	-do-	Bombax malabaricum	34	1,865	
		Machilus macranta	107	12,949	
		Mangifera indica	84	7,465	
		Ailanthes malabarica	-	-	
		Evodia roxburghiana	2	48	
			227	22,327	13,000

Out of the above, the following are the quantities marked for extraction from the Reserves mentioned by the Company as in inaccessible localities.

Name of Reserved Forest.	No.of trees.	Volume c.ft.
Kasaragod Range:-		
Karadka R.F. ..	6	935
Adoor ,, ..	8	685
Poomale ,, ..	47	4,945
	61	6,565
Coondapoor Range:-		
Chittoor R.F. ..	31	1,146
Nujinane ,, ..	2	41
Harmannupare ..	10	738
	43	1,925

The Dt.Forest Officer, South Kanara in his Ref.No.C.5181/50-C2, dated 2.2.1951 reports on this point as follows:-

"These trees are not really in the inaccessible areas except in Poomale Reserved Forest but the trees marked being very few, the Company finds it costly to do the extraction, building new roads in the Forests for the sake of these very few trees. Hence these trees may be ordered to be excluded. The sketch of Poomale R.F, showing the location of trees marked is enclosed".

A perusal of the sketch will show that even the trees marked in Poomale R.F, are quite close to the motorable tract from Subramania to the main Mercara-Mangalore trunk road. I am therefore not convinced of the reasons advanced by the Company in favour of excluding the trees. The only consideration is that the number of trees (and cubical contents) is rather small and exploitation will be costly, but I think it shall be borne in the interest of extraction in the Division as a whole.

(ii) To fix a seigniorage rate of 12 Annas per c.ft. or any other negotiated rate:-

The following were the approximate quantities sold from each of the Ranges of South Kanara Division at the rates shown against each:-

Range.	Approximate quantity.	Rate. Rs.	as.	ps.	Calculated Value Rs.
Coondapoor ..	25,000	0	13	0	20,313
Karkal ..	28,000	0	13	6	23,625
Kasaragod ..	13,000	1	4	0	16,250
Puttur ..	31,000	1	8	0	46,500
	97,000				1,06,688

Average per c.ft. Rs. 1-1-7.

The extraction of matchwood in years previous to 1950-51 was sold by negotiation (vide Chief Conservator's Ref.No.13797/46-E, dated 29.7.1947; Ref.No.5900/48-E, dated 7.1.1949 and Chief Conservator's Ref.No.690/49-E, dated 17.5.1949), to Western India Match Co., and it was only in 1950-51 that the right was sold in public auction according to orders contained in G.O. No. Mis.3602, Development, dated 11.9.1950 (Chief Conservator's Ref.No.23284/49-E1, dated 13.9.1950). The response to this change was evidently satisfactory last year, but the sales during 1951-52 did not meet with success. It is now alleged by Western India Match Co., that the high prices last year obtained were due to unhealthy competition, and failure of any bidders to turn up for the sale lends evidence in support of it. It is further seen that the rates fetched for Kasaragod and Puttur only were high and that those for Coondapoor and Karkal Ranges from where the bulk of the produce is extracted were low. As seen from the figures given in para 4 above, again this year the quantities proposed for extraction in 1951-52 from Coondapoor and Karkal Ranges (i.e.51,000 plus 32,000 = 83,000 c.ft.) are comparatively very much more than from the other Ranges (18,000 plus 7,000 plus 13,000 = 38,000) and that the quantities from Coondapoor and Karkal Ranges are more than double the quantities of other Ranges. Considering all these circumstances and that every year the area to be exploited is getting farther and farther from motorable roads, I suggest a flat rate of 14 annas per c.ft. of converted volume for all Ranges of the Division.

(iii) To permit extraction of Vateria indica:-

The Vateria indica trees are reserved for plywood industry (vide para 5 of Chief Conservator's Proceedings Mis. No.410/50, dated 6.10.1950) and a scheme for working Vateria indica on a sustained basis is under examination separately. There is also an investigation on foot regarding the possibilities of extraction of edible butter from Dhupa fruits for which the trees have to be preserved. Until a final decision is taken on these diverse questions (vide correspondence ending with Chief Conservator's Ref.No.6308/51-E, dated 29.7.1951 which has been referred to District Forest Officer, S.Kanara for report) I am not in favour of including it in the current year's lease for its extraction by Western India Match Co.

5. I request that early orders may be issued after ascertaining from Western India Match Co. whether they are agreeable to the rate of 14 annas per c.ft. of converted volume (trees to be sold standing and extraction to be done by Western India Match Co.) for selling the trees to them.

/True copy/

6/9/15.

for CHIEF CONSERVATOR OF FORESTS.

Nsm.5/9,

4/9/15

Development Department (C.II)

Sub: Forests - Soft-woods - South Kanara Division - Sale of matchwood trees to West India Match Co., Ltd., on negotiated rates - Orders Passed.

Read: From the C.C.F. Ref.No.13495/51 E. dated 5.9.1951.

...

G.O.Ms.No. 4138 dated 17.9.51

In the circumstances reported by the C.C.F. the Government direct that the marked trees of softwoods in Coondapoor, Karkal Mangalore, Uppinangady and Kasargod Ranges in South Kanara Division be sold to the W.I.M.Co., Ltd., at a negotiated rate of Re.1/- (Rupee one only) per c.ft of converted volume.

2. The other 2 requestes of the company for exclusion of certain marked trees in in-accessible areas and for permission to extract vatica Indica also, cannot be complied with.

To the C.C.F.
S.F.
S.C.

Sub:- Forests- Soft woods- Sale of match wood trees-South Kanara Division to West India Match Co., Ltd., on negotiated rates.

Ref:- From the C.C.F. ref. No.13495/51-E. dated 5-9-51.

The C.C.F's letter with its encls. at pp 1-6 c.f. may be perused.

2. During the war years the policy of the Govt. in the disposal of soft wood species in Reserved Forests was to sell them by private negotiation. This policy was in consonance with the desideratum of the Govt. of India that all possible assistance should be given to the match industry. The main beneficiaries under this system of lease by private treaty were:-

1. The West India Match Co., Madras.
2. The Bharatha Matha Match Factory, Kadambur.
3. The standard Match Industries, Sivakasi.
4. The National Match works, Sivakasi.

3. Last year the Govt. ~~reserved~~ revised this policy and ordered in G.O.No.3602 Devt., dated 11-9-50 that soft wood coupes in Reserved Forests should be sold in public auction as in the case of other Forest produce. The parties effected by the change of policy subsequently petitioned to the Govt. for reconsideration of the orders passed in the matter but the Govt. declined to reconsider the ~~petition~~ question. The request of the West India Match Co.. for a renewal of the lease for 1950-51 by private treaty was also rejected in G.O.No.3601 Devt., dated 11-9-50.

4. Subsequently on a representation from the S.I. plywood Manufactories Association Feroke, the question of supplying soft wood to plywood industry at negotiated rates was considered in consultation with the C.C.F. On the suggestion of the C.C.F. the Association has been asked to state whether it is willing to take up some coupes on negotiated rates and arrange equitable distribution among its members and sell away the species not required, to match Factories. Recently on 30-8-51 the representatives of the Association had an interview with the Secretary, Development Department and the C.C.F. and

discussed the question further. It was agreed at the meeting that the C.C.F. would indicate within 3 months to the Association the availability of forest coupes and the prices at which the sales could be negotiated. These prices would be reasonable with due regard on one hand to the interests of the Forest Dept. and on the other of the plywood industry. The Association would then within the time allotted indicate its acceptance for all or some of the offers made. The Associations' final reply in the matter is awaited in the concerned file.

5. It is reported that according to the revised policy laid down in G.O.No.3602 Devt., dated 11-9-50 the soft wood species required for match industry was sold in public auction for the lease year 1950-51 and that the response was satisfactory last year.

6. In his reference at p.1 c.f. the C.C.F. has now reported that at the auction sale of soft woods held by the D.F.O., South Kanara on 9.7-51 the Western India Match Co., Ltd., was the only party who came to bid and that the sale could not therefore be held. The C.C.F. has also submitted copies of letters received from the Western India Match Co., and a copy of the report from the conservator, Ootacamund circle in the matter.

7. The company has made the following requests

1. that the trees marked in Kasaragod and Coondapore Ranges which are inaccessible may be excluded from the lease area;

2. that the seigniorage rate may be fixed at Re.0-12-0 per c.ft. or any other negotiated rate; and

3. that it may be permitted to extract Veteria Indica (Dhupa) trees also in addition to the match wood trees marked now.

Request (1) above: Exclusion of certain inaccessible areas:-

For the reasons explained at pp 3-4 c.f. the Conservator considers that in the interest of extraction of wood in the Division as a whole, the company's request for excluding certain areas from the Division cannot be complied with.

Request (2) above:- Fixing the seigniorage rate:

The Conservator has reported that the average price etched previously in the South Kanara Division was Rs.1-1-7 per c.ft.

But considering all the circumstances mentioned at 'M' on p.5c/f the Conservator has suggested a flat rate of Re.0-14-0 per c.ft. of converted volume for all ranges in the S. Kanara Division.

Request (3) to permit extraction of Vateria Indica:-

For the reasons mentioned at 'P' on p. 5 c.f. the Conservator is not in favour of including Dhupa (Vateria Indica) trees in the current year's lease for extraction by Western India Match Co.,

8. The C.C.F. has agreed with the views of the Conservator and accordingly recommended that the marked trees of soft woods in all the 5 Ranges of S. Kanara Division may be sold to the Western India Match Co., Ltd., at a negotiated rate of Re-0-14-0 per c.ft. of converted volume, and that the other two requests of the company cannot be accepted.

9. In these circumstances it is for orders whether the C.C.F's recommendation mentioned above willbe accepted.

Finance may see before circulation.

With reference to the request of the W.I.P.C to excise certain marshy lands in certain municipal areas and to allow them to extract victoria indications the recommendation of the C.C.F, to reject these requests, may be approved

GR
1951

1/10/51

A

Dept. u.o. No.
179294 C[illegible]/51-1
8.9.51

Finance (Audit) Dept

Please see the notes from page 1 above. Finance may agree to the proposals at A on pp 3-4 above.

Dept
W.O. 3 SEN
10/9/51

This Dept is mainly concerned with the fixation of a seigniorage rate for the to be levied from the lessee for extraction of soft wood. The rate asked for by the lessee is as.12 per c.ft against the average rate of Rs 1-1-7 per c.ft obtained (in auction) in 1950-1. For the reasons stated by the Conservator of F.-S C.F., he suggests a flat rate of as. 14 per c.ft. The C.C.F + Dept propose accept this rate. Fin. may perhaps suggest that a round rate of Re 1/- per c.ft may be offered and that if the party demurs, it may be lowered to as. 14 per c.ft

P.S. C.F. o

(w.r. - procurem
year that we
due to
neglect)

GOVERNMENT OF MADRAS
FINANCIAL ASSISTANT SECRETARY, FINANCE DEPT.
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DEVELOPMENT DEPARTMENT

DDR
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A.S.D
11.9.51

Dept

Fin W.O. 65725/51
11.9.51

37/14/9

9752 S/51

Devt. Dept.(CII).

Notes from page 1 ante may be perused.

The C.C.F. has recommended that the marked trees of soft-woods in all the five ranges of South Kanara Division may be sold to the Western India Match Co., Ltd., at a negotiated rate of Re.0-14-0 per c.ft. of converted volume and that the other two requests of the company regarding exclusion of certain inaccessible ranges from the lease area and regarding permission to extract vatica Indica trees, may be rejected.

'P'

This Govt. have proposed to accept the recommendation of the C.C.F. But Fin. have suggested that a round rate of Re.1/- per c.ft. of converted volume may be offered and if the company demurs, it may then be lowered to Re.0-14-0 per c.ft.

'Q'

The file may now be circulated for orders

(i) whether the C.E.F's proposal mentioned at 'P' above supported by this Dept. will be approved; or

(ii) whether the suggestion of the Fin. Dept. mentioned at 'Q' above will be accepted.

Kml 14/9/51

GB 14/9/51 S/Secy.

We may accept Finance proposal. If the company does not accept it, we can climb down

15/9/51 H.C.M

14/9

SECRETARY TO GOVERNMENT 15 SEP 1951 DEVELOPMENT DEPARTMENT

Orders in circulation.
A draft order is submitted for

Kml 17/9/51

GB 17/9/51.

GB 17/9/51

[illegible] (CII) No 4138, 1951

37
14/9

9752 9/51

Devt. Dept.(CII).

Notes from page 1 ante may be perused.

The C.C.F. has recommended that the marked trees of soft-woods in all the five ranges of South Kanara Division may be sold to the Western India Match Co., Ltd., at a negotiated rate of Re.0-14-0 per c.ft. of converted volume and that the other two requests of the company regarding exclusion of certain inaccessible ranges from the lease area and regarding permission to extract vatica Indica trees, may be rejected.

This Govt. have proposed to accept the recommendation of the C.C.F. But Fin. have suggested that a round rate of Re.1/ per c.ft. of converted volume may be offered and if the company demurs, it may then be lowered to Re.0-14-0 per c.ft.

The file may now be circulated for orders

(i) whether the C.E.F's proposal mentioned at 'P' above supported by this Dept. will be approved; or

(ii) whether the suggestion of the Fin. Dept. mentioned at 'Q' above will be accepted.

Kvl
18/9/51

GR
14/9/51 S/11.11.

We may accept Finance proposal. If the company does not accept it, we can climb down

15.9.51
H.C.M

14/9

SECRETARY TO GOVERNMENT
15 SEP 1951
DEVELOPMENT DEPARTMENT

Orders in circulation.
A draft order is submitted for approval.

Kvl
17/9/51

GR
17/9/51.

[Issued G.O.(Ms) No 4138, Dev., dt 17/9/51]